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Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

May 19, 2010

CERTIFIED RETURN RECEIPT  
7099 3400 0016 8894 6338

Jon Rhine  
Interpace Holdings LLC  
736 West Harrisville Road  
Ogden, Utah 84404

Subject: Five-Year Escalation of Reclamation Surety, Interpace Holdings LLC, 5 Mile Shale Mine, S/045/0069, Tooele County, Utah

Dear Mr. Rhine:

The Division of Oil, Gas and Mining recently received two surety bonds, one for \$5700.00 and one for \$14,555.07, and they are both designated for permit number "M/045/0069." This permit number corresponds with the 5 Mile Shale project, but the correct permit number is S/045/0069.

The Division currently holds a letter of credit from Merrill Lynch in the amount of \$20,700.00 as a reclamation surety for this site.

The reclamation surety for this mine is due for adjustment in 2010, and the new required amount is \$25,100.00 which was calculated as follows:

<b>Small Mine Operation Bond Calculation Worksheet S/045/0069</b>			
<b>5-year escalation (2015)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$7,500.00	\$7,500.00
Add'l Acres Disturbance	4	\$4,400.00	\$17,600.00
<b>TOTAL</b>			<b>\$25,100.00</b>

The amount listed, \$25,100.00, assumes no increases in the disturbed area or changes in operations since the surety was originally calculated and submitted.

There are several options for how this adjustment can be made, among which are submitting an entirely new surety or amending the existing letter of credit to the new amount.

**Please provide the updated surety no later than July 06, 2010.**

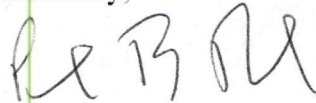


Jon Rhine  
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To increase the surety amount, please contact the Division's bonding coordinator, Penny Berry, at (801) 538-5291 or by e mail at [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov) for further information or to obtain the current bonding forms.

Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact me at (801) 538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written over a light blue horizontal line.

Paul B. Baker  
Minerals Program Manager

PBB:lah:pb  
cc: [jblake@utah.gov](mailto:jblake@utah.gov)  
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